

# Manzullo steps up

## Rockford rep champions heavy industry

By PAUL MERRION

WASHINGTON—Things on Donald Manzullo's "mad board":

- A Pentagon decision to outfit Army troops with berets made in China.
- The Bush administration's decision to give one of three major contracts for rebuilding Iraq to a foreign firm.
- A House bill that gives a multibillion-dollar tax break to U.S. companies that manufacture overseas.

After serving in the U.S. House in relative obscurity for most of the last decade, Rep. Manzullo has emerged this year as the voice of Republican angst over the loss of manufacturing jobs in a global economy.

"Washington doesn't understand the importance of manufacturing," says Rep. Manzullo, whose Rockford-area district has more than twice as many manufacturing jobs as the national average, mostly in companies with fewer than 100 employees.

With a bit of bluster and a lot of persistence, he has become increasingly vocal about a growing list of concerns he keeps on his mad board—which started as a

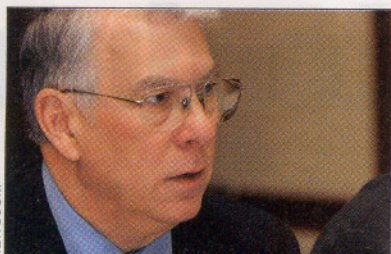
grease board in his office and has now migrated to his Blackberry, as well.

As chairman of the House Small Business Committee and of a bipartisan "manufacturing caucus" he organized this year, he has pressured the Bush administration to do something about the country's unfavorable trade balance with China. He also opposes the president's decision to impose tariffs on imported steel, which hurt steel-using firms in his district. And he decries the lack of consistent "buy American" policies in defense and homeland security procurement.

"In his first couple of terms, he was finding his issue," says Ryan Petty, president of the Rockford Area Chamber of Commerce and the Rockford Area Council of 100, an economic development group. "He's really found it now."

Rep. Manzullo's constant nagging about the woes of manufacturing is like a loose piece of yarn in an otherwise seamless Republican message that the economy is improving. And he's not afraid to say that the re-election of President George W. Bush

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### REP. DONALD MANZULLO (R)

- **ELECTED:** 1992, serving sixth term
- **16TH DISTRICT:** Includes Galena, Rockford and part of McHenry County
- **Chairman of the House Small Business Committee**
- **SMALL BUSINESS ROOTS:** His parents owned and operated a grocery store in Rockford. He worked in the family restaurant, which his brother still owns.
- **PROTECTING THE HOME TURF:** Criticized Bush administration's imposing steel tariffs in March 2002, citing Rockford manufacturers' increased costs.
- **QUOTE:** "This is an election year. Why have a bill that reduces the tax on multinational companies in China?"

Source: Almanac of American Politics



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could "absolutely" hang by that same thread.

"Manufacturing is centered in West Virginia, Pennsylvania, Ohio, Illinois, Indiana and Michigan. Those states are obviously important for Bush's re-election," the congressman says. "We've averaged a loss of 75,000 manufacturing jobs a month since December 2000. He has to take the issue of manufacturing and seize control of it."

Both the message and Rep. Manzullo's independent streak sit well with his largely Republican district, which has lost more than 9,000 manufacturing jobs in the past three years. The congressman won with 71% and 67% of

the votes in the last two elections.

"My view of Don is that he's a good Republican, but he'll also go a little independent once in a while if it's an issue he feels strongly about," says Pamela Fox, a Rockford attorney with law firm Hinshaw & Culbertson and vice-chairman of the Council of 100. "He has a constituency that's pretty supportive of him."

## Blocking export bill

These days, Rep. Manzullo's biggest worry is legislation to repeal export subsidies and overhaul the way multinational companies are taxed—a bill backed by House leaders, the Bush administration and most of the business commu-

nity. The U.S. is facing \$4 billion in European tariffs next year if the export subsidies, which the World Trade Organization has found to be illegal, aren't repealed.

But the measure is stalled in the House, thanks largely to Rep. Manzullo's gritty opposition. He's lined up 23 other Republicans who agree with him that the bill should focus on helping domestic manufacturers—more than enough votes to block the bill in the closely divided House.

Among the bill's biggest losers are Peoria-based Caterpillar Inc. and Chicago-based Boeing Co., along with other major exporters. While neither company has facilities in his district, many of Rep. Manzullo's constituents work for suppliers to those industrial giants.

As passed last month by the Ways

and Means Committee, the bill's "unintended consequence is making it cheaper to manufacture in China and export back to the U.S.," says Rep. Manzullo. "Not only is that politically wrong at this time, but it's economically wrong because we need to encourage companies to locate manufacturing here."

## Serving his district

The battle is pitting the affable and soft-spoken Rep. Manzullo against Rep. Bill Thomas of California, the Ways and Means Committee chairman whose temper is reputed to be nearly as fierce as his intellect.

Concerns raised by Rep. Manzullo and others have already forced Rep. Thomas to make compromises in his bill, redirecting more of the tax breaks

to domestic producers and less to reducing taxes paid by U.S. companies that operate overseas.

But Rep. Manzullo still says that voting for the Thomas bill helps overseas manufacturers at the expense of their domestic counterparts.

The battle now, business lobbyists say, is to change the minds of the 23 Republicans who are standing with Rep. Manzullo against the bill, as well as 15 to 20 Democrats.

"We all understand where he's coming from," says Bruce Josten, executive vice-president of government relations for the U.S. Chamber of Commerce, which supports the bill. "He didn't get elected by a national constituency or a broad cross-section of the business community. He got elected by his district."